GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1887
ANSWERED ON:29.11.2002
CRISIS IN TEA AND COFFEE INDUSTRY
A. VENKATESH NAIK;K. FRANCIS GEORGE;P.C. THOMAS;T. GOVINDAN

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether tea and coffee plantations are facing crisis due to very low price for farmers;

(b) if so, whether the delegation of tea and coffee growers have made a number of demands separately to overcome the situation;

(c) if so, the details of their demands;

(d) whether any joint meeting of official of Finance and Commerce Ministry have been held to find out the solution for problems confronting the coffee and tea industry;

(e) if so, the outcome of the meeting;

(f) whether the Government have decided to lift the excise duty and to raise the import duty stoppage of import etc. to arrest the problems of growers;

(g) if so, the action taken in this direction;

(h) whether import of plantation crops especially tea and coffee for re-export is being suggested by the Government of Kerala and other States; and

(i) if so, the action taken thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY)
(a) to (c): Yes Sir. The tea and coffee plantations in the country have been facing a crisis due to low prices and several delegations of tea and coffee growers have represented to the Government for reduction in excise duty on tea, measures to increase both domestic and export demand, suspension of tea imports, tea auction reforms, price fixing mechanism for green leaf, relaxation in repayment of loans availed by the coffee growers, waiver of interest on coffee loans and principal amount and coffee price support measures etc.
(d)&(e): Interaction between the various Departments of the Government of India including Finance and Commerce Ministries, are often held to sort out the problems of the commodity sector, including tea and coffee.
(f)&(g): The Government has reduced the Excise duty on tea from Rs. 2/- to Rs. 1/- per kg. with effect from 1.4.2002 and has raised the import duty to 100% for tea and coffee.
(h): No Sir.

(i) : Does not arise